

WASHINGTON POST
21 February 1987

AI.

Contra Leader Says North Arranged Stipend for Him

Cruz Discloses He Received \$7,000 a Month

✓ By Joe Pichirallo
Washington Post Staff Writer

Arturo Cruz, the Nicaraguan rebel leader considered crucial to continued congressional support for the contra movement, yesterday disclosed that fired National Security Council aide Oliver L. North arranged for him to receive a \$7,000 monthly stipend last year.

In an interview, Cruz said he went to Marine Lt. Col. North—who was the Reagan administration's point man in finding ways to assist the contras during a two-year congressional ban on military aid—and that North told him that he would arrange for Cruz to receive money from a "private foreign source."

Cruz said he did not know whether the money, which a knowledgeable source said was wired to a personal bank account in Costa Rica, came from Swiss bank accounts tied to the secret Iranian arms sales. North and several others allegedly used these accounts to divert money to aid the contras.

When Cruz was interviewed recently by FBI agents working with independent counsel Lawrence E. Walsh, who is investigating possible criminal wrongdoing in the Iran-contra affair, he informed them of the payments and his conversations with North. The payments began in January 1986 and ended sometime last fall, about the same time that it became known publicly that the Reagan administration was selling arms to Iran.

Cruz said he agreed to give the

Federal Bureau of Investigation access to his three bank accounts. FBI and congressional investigators are trying to trace the proceeds of the arms sales and whether they were used to benefit the contras.

A former banker in Washington and a former ambassador for the Sandinista government, Cruz became disillusioned and joined the contras in mid-1985. His involvement helped secure support in some congressional quarters at a time when the Reagan administration was seeking approval for the resumption of military aid.

House Speaker Jim Wright (D-Tex.) said yesterday that the payments raise new questions about North's role. "The Congress will want to know what other things Col. North may have done with funds available to him," he said.

Wright, who stated that he was "saddened" by the disclosure, said, "I regret that it may tend to compromise the public credibility of Mr. Cruz, whom I've always regarded as a man of considerable personal integrity."

Cruz defended the payments, saying that he needed financial assistance to support his family. "I had to do it because I needed to have my mind as free as possible to be able to be enmeshed in the struggle. Nobody is going to influence my fundamental ideas about my country," he said.

Cruz's disclosure comes at a time when he and his chief ally in the contra leadership, Alfonso Robelo, are locked in a power struggle with the more conservative Adolfo Calero, the head of the main rebel military force.

Sources have said the rift has led to infighting between the State Department—where Assistant Secretary Elliott Abrams has led the fight for a broad alliance that includes Cruz and Robelo—and the Central Intelligence Agency, which in the past has sided with Calero.

Cruz said that he disclosed the payments to Calero and other top contra leaders at a meeting last May, when he was leading a fight for access to financial records controlled by Calero.

Some Cruz supporters, who asked not to be identified, suggested yesterday that information about Cruz's financial tie to North was leaked to blunt Cruz's efforts to reform the main rebel organization, the United Nicaraguan Opposition. The first report on the payments to Cruz appeared yesterday in the Los Angeles Times.

The Cruz source said that North's chief contact with the contras was Calero, who had control of virtually all contra finances. Calero has denied knowing of any diversion from the Iran deals.